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**BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF CALIFORNIA**

In the Matters of

DENT DEFENSE GROUP, INC., D.B.A.
WWW.ULTIMATEDENT.NET

CALIFORNIA STATE AUTOMOBILE
ASSOCIATION, INC.,

MITCH BUICH,

and

MICHAEL P. GHIORSO,

Respondents.

ORDER TO SHOW CAUSE (Ins. Code §
12921.8(a)(3))

NOTICE OF RIGHT TO HEARING

File No's.

DISP-2007-00069

OSC-2008-00002

CD-2008-00003

CD-2008-00004

13 1. Respondent Dent Defense Group, Inc. ("Dent Defense") is headquartered in and does
14 business in California. Respondent Mitchell Buich ("Buich") at all relevant times was the president of
15 Dent Defense, and Respondent Michael P. Ghiorso was a Vice President. None of these Respondents has
16 been licensed by the Department of Insurance in any capacity. Respondent California State Automobile
17 Association, Inc. ("CSAA") is licensed by the Department as a motor club.

18 2. From sometime in 2005 until approximately April 1, 2007, Dent Defense, under the
19 direction and control of Buich and Ghiorso, acted as an obligor on various agreements that promised
20 paintless dent repair to purchasers of the agreements. These "PDR agreements" constituted automobile
21 insurance pursuant to sections 22 and 116(a), (b) and (d).¹ Dent Defense did not possess a certificate of
22 authority from the Department of Insurance to act as an insurance company, as required by section 700(a).

23 3. In November 2006, the Department advised Dent Defense that the PDR agreements
24 constituted insurance, and why they constituted insurance. Dent Defense, under the direction and control
25 of Buich and Ghiorso, continued to sell its PDR agreements after that date, in willful violation of section
26 700(a) and (b), until approximately April 1, 2007.

¹ All statutory references are to the California Insurance Code unless otherwise indicated.

1 4. On or about April 1, 2007, Dent Defense, under the direction and control of Buich and
2 Ghiorso, launched a new PDR agreement program. The new program constituted automobile insurance
3 pursuant to sections 22 and 116(a), (b) and (d), for the same reasons previously explained by the
4 Department to Dent Defense with regard to Dent Defense's prior program. CSAA aided and abetted Dent
5 Defense in the latter's unlicensed sales of insurance policies by licensing Dent Defense to use the name
6 and logo of, and therefore receive the goodwill of, the American Automobile Association. Dent Defense
7 sold approximately 200 of the new PDR agreements.


8 5. Respondents are hereby ordered to show cause why the facts recited above do not
9 establish cause for the Commissioner to impose upon each of them a monetary penalty, pursuant to section
10 12921.8(a)(3), the amount of which shall be not less than the greater of five times the amount of money
11 received for the agreements, or five thousand dollars (\$5,000) for each day they sold the agreements.

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13 NOTICE OF RIGHT TO HEARING

14 If you desire a hearing in this matter, your written request for a hearing must be received within 14
15 days after you are personally served with the order. The 14 days begin to run on the day after the day you
16 are served, and if the 14th day falls on a weekend, the period in which your request must be filed is
17 extended until Monday or the next business day if Monday is a holiday. Your written request for a hearing
18 must be directed to: Jon A. Tomashoff, Senior Staff Counsel, California Department of Insurance, 45
19 Fremont Street, 19th Floor, San Francisco, California 94105.

20
21 Date: *June 7, 2008*

22 STEVE POIZNER
Insurance Commissioner

23
24 
25 By
26 JON A. TOMASHOFF
Senior Staff Counsel